



Iowa Department of Human Services

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INFORMATIONAL LETTER NO. 1627-MC

DATE: March 14, 2016

TO: Iowa Medicaid Pharmacy Providers and Managed Care Organizations (MCOs)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Updated - Managed Care Organization (MCO) Pharmacy Provider Reimbursement Rate Floors

EFFECTIVE: April 1, 2016

The IA Health Link managed care program will begin on April 1, 2016. Informational Letter [1562-MC](#)¹ referenced provider reimbursement information under the IA Health Link program, specifically the establishment of rate floors by DHS. This letter is intended to update the reimbursement rate floor established specific to covered outpatient drugs for pharmacy providers.

Attachment 1 to Informational Letter No. 1562-MC is updated as follows:

Provider/Rate Type	Provider Reimbursement Rate Floor
Pharmacy:	
Drug Ingredient Cost Reimbursement	Medicaid Fee-for-Service rate of Iowa Average Actual Acquisition Cost (AAC) or Wholesale Acquisition Cost (WAC), if no AAC.
Dispensing Fee	Medicaid Fee-for-Service dispensing fee as determined by a cost of dispensing survey of Medicaid participating pharmacies every two years; OR Medicaid fee schedule rate in effect on 7/1/15.

For additional information on the IA Health Link please call the IME Provider Services Unit at 1-800-338-7909. Representatives are available Monday-Friday, 7:30 a.m. to 4:30 p.m.

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf